

SENATE BILL REPORT

SB 6044

As of February 23, 2009

Title: An act relating to revitalizing student financial aid.

Brief Description: Revitalizing student financial aid.

Sponsors: Senators Kilmer, Jarrett, Shin and McAuliffe.

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/18/09.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Aldo Melchiori (786-7439)

Background: The Washington Scholars is a merit-based program that recognizes the accomplishments of three high school seniors from each of the state's 49 legislative districts. High school principals nominate the top 1 percent of their school's graduating senior class on the basis of academic achievement, leadership, and community service. A committee, composed of high school principals and college admissions staff, selects the top four students in each legislative district, naming three as scholars and one as a scholar alternate. Students receive state scholarships for up to four years of public resident undergraduate tuition and fees. The scholarships can be used at any Washington public or independent college or university.

The Educational Opportunity Grant (EOG) program provides \$2,500 grants to encourage financially needy students to complete a bachelor's degree. Students must be Washington residents, have already earned an associate of arts or sciences degree, and be "placebound." To be considered placebound, students must be unable to continue their education – without the assistance of this grant – because of family or work commitments, health concerns, financial need, or other similar factor.

Summary of Bill: All public institutions of higher education are directed to label the state subsidy per student and all types of financial aid as an "opportunity passport" on the tuition billing statement or the financial aid award letter. This includes aid from all sources including federal, state, and local governments, local communities, nonprofit and for-profit organizations, and institutions of higher education. Institutions retain the ability to customize

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their tuition billing statements and financial aid award letters to differentiate between programs and provide the clearest information to students.

The EOG program is phased out over a period of two years. No new awards are permitted, but students who receive the grant before August 1, 2009, receive the full amount of their award for a maximum of two years. The EOG program expires on August 1, 2011.

When selecting students to receive State Need Grants, in addition to financial need and whether the student is a former foster youth, the Higher Education Coordinating Board (HECB) considers whether the applicant is a placebound student who has earned an associate degree. A placebound student is defined as one who is unable to complete a college program because of family or employment commitments, health concerns, monetary inability, or other factors and may be influenced to complete a baccalaureate degree by the receipt of an enhanced financial aid award.

The Washington Scholars program is changed from a four-year award into a two-year award for students who receive the award after August 1, 2011. Recipients continue to have their tuition and services and activities fees waived. The Legislature expresses its intent to move any saved funds to the State Work Study program.

The HECB must label all student financial assistance programs awarded to resident undergraduate students as an "opportunity passport." This includes all printed materials, presentations, and web content. If a web-portal is created for college-going information, all financial aid must be listed underneath the "opportunity passport" label.

Dual credit programs are defined as those administered by either an institution of higher education or a high school, through which high school students in the eleventh or twelfth grade, who have not yet received the credits required for the award of a high school diploma, apply to a participating institution of higher education to enroll in courses or programs offered by the institution and simultaneously earn high school and college credit. Colleges and universities are allowed to use their institutional aid funds for students in dual credit programs.

Appropriation: None.

Fiscal Note: Requested on February 17, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on August 1, 2009.

Staff Summary of Public Testimony: PRO: This bill is intended to simplify the financial aid process and information. The most effective financial aid programs are preserved and enhanced. These are difficult tradeoffs designed to preserve the most broad-based financial aid programs. This will lead to a future statewide marketing campaign. The consumer information on the proposed portal will be of great help.

CON: The elimination of the Educational Opportunity Grant and Washington Scholars Program may cause unintended harm to transfer students. The rebranding effort will cause confusion for students. There may be potential compliance issues with federal rules. Lumping financial aid together does not increase the students knowledge about what they are getting, it hides information. We need to get more specific information, not more general notice. Loans are not opportunities given by the state, they are debt. This is just one more piece of jargon.

OTHER: Some of these provisions may harm Washington's present commitment to financial aid. Targeted financial aid programs should be preserved. Loan counseling and debt advising should be part of the bill.

Persons Testifying: PRO: Senator Kilmer, prime sponsor; Scott Copeland, State Board for Community and Technical Colleges; John Klacik, HECB; Maddy Thompson, Workforce Training and Education Coordinating Board.

CON: Mike Reilly, Council of Presidents; Morgan Holmgren, Washington Student Lobby (WSL) and Associated Students (AS) of WWU; Matthew Holmes, WSL and AS of EWU; Dave Isemerger, UW Graduate and Professional Student Senate.

OTHER: Steve DuPont CWU; Greg Scheiderer, Independent Colleges of Washington.